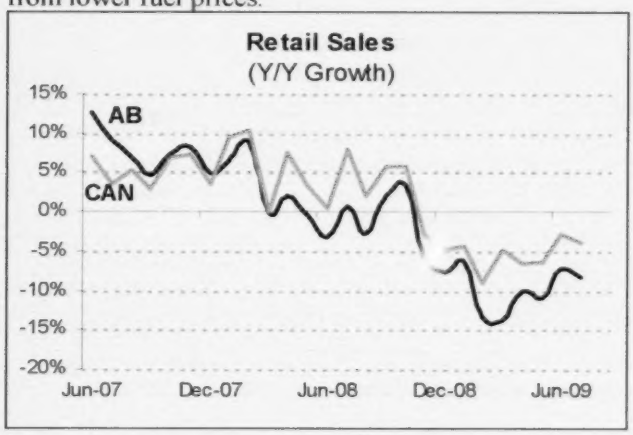
Retail Sales

Consumer spending unexpectedly drops ...

After three months of growth, retail sales declined in Alberta in July by 1.1% (seasonally adjusted) from June while they declined by 8.3% from July 2008. Even with the decline, at $8910 per person, Alberta continued to have the highest per capita spending in the country.

Nationwide, consumer spending dropped by 0.6% on a seasonally adjusted basis in July, making the year-over-year decline 3.9%. The drop was largely caused by a 3.4% fall in spending at gas stations resulting from lower fuel prices.



International C$ Securities Transactions

Canadians moving out of US Gov't bonds...

Canadians, continued to trim their foreign debt holdings in July, recording a net divestment of $625 million in foreign bonds. Canadians sold $932 million of US government bonds as they shifted to other holdings.

Also in July, the purchase of Canadian securities by non-residents declined to $351 million from $10.5 billion in June.

Farm Product Price Index

Decline in farm product prices takes a breather...

After a quarter of declines, prices obtained by Alberta farmers increased by a slight 0.4% between June and July. This increase was largely due to a 1.2% increase in the prices for crops between the two months. On a year-over-year basis however, prices are still down 16.2% from July 2008.

↓	**Canadian Dollar (US¢/C$)**	
	September 25, 2009	91.62
	September 18, 2009	93.25
	2009-10 YTD	88.40
↓	**WTI Oil US$/bbl**	
	September 24, 2009	$65.89
	September 17, 2009	$72.47
	2009-10 YTD	$63.93
↑	**Nymex Natural Gas C$/MMBtu** *	
	Near-month Contract	
	September 25, 2009	$4.15
	September 18, 2009	$3.76

* Estimate based on Nymex Futures Market Price

Commerical Real Estate

Vacancy rate on the rise...

The third quarter saw increases in the vacancy rates for commerical real estate in both Calgary and Edmonton. While the limping oil and gas sector helped increase Calgary's rate to 13.1% up from 4.7% last year, Edmonton saw a less dramatic increase as its vacancy rate edged up to 8.3% from 5.0%.

US Economy

Mixed US economic data...

Initial US jobless claims surprisingly declined last week to a four-week moving average of 553,500 the lowest level since the end of January. The number of continuing claims also dropped last week to 6.14 million people. This raised expectations for a US economic recovery and increased natural gas prices.

However, drops in sales of existing homes and durable goods offset this positive news, suggesting a sluggish US recovery. This concern encouraged buying of the US dollar as a safe haven, which in turn combined with higher reported US crude oil inventories to drive down oil prices.

Alberta

CURRENT ECONOMIC INDICATORS

September 25, 2009

Overall Economy	2007	2008	2009YTD*	Mar	Apr	May	Jun	Jul	Aug
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,511	3,585	3,654	--	3,654	--	--	--	--
% change	2.6	2.1	2.6	--	2.7	--	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	10,010	18,269	--	7,144	--	--	--	--
Net International Migration[1] (level)	16,136	19,283	13,179	--	4,175	--	--	--	--
Net Non-permanent Residents[1] (level)	13,539	17,890	17,557	--	4,626	--	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,992	1,987	1,993	1,994	1,990	1,986	1,979
% change	4.7	2.8	-0.8	-1.0	-0.9	-1.1	-1.6	-1.6	-1.6
Unemployment Rate (%)	3.5	3.6	6.2	5.8	6.0	6.6	6.8	7.2	7.4
Average Hourly Wage Rate	6.0	5.7	5.0	3.6	4.3	5.0	6.1	4.6	5.9
Average Weekly Earnings[2]	5.8	6.0	4.6	4.8	2.1	4.9	4.3	--	--
Labour Income[3] NEW!	10.5	8.7	3.1	3.2	1.9	2.4	1.2	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	0.9	-0.7	-0.7	-1.6	-1.5	-1.7
Excluding food and energy	5.0	2.1	1.5	1.4	1.1	1.7	1.6	1.4	1.3
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	-1.0	--	--	-11.3	--	--
Farm Product Price Index NEW!	14.3	11.1	-8.2	-3.5	-4.4	-8.6	-16.2	-16.2	--
Crops NEW!	41.4	26.3	-22.8	-20.5	-22.2	-25.5	-29.0	-26.5	--
Livestock NEW!	0.7	2.1	5.3	17.1	12.6	0.6	-5.6	-9.0	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	15.6	11.9	14.2	14.2	20.0	17.6	18.4
% change	-2.1	-39.7	-51.7	-77.0	-53.3	-55.6	-12.7	-38.0	-21.0
New Housing Price Index	22.5	0.7	-9.7	-10.5	-10.7	-9.8	-9.8	-9.3	--
Edmonton	32.1	1.0	-11.7	-12.3	-12.5	-11.7	-11.7	-11.1	--
Calgary	16.2	0.6	-7.7	-8.7	-8.8	-7.9	-8.0	-7.3	--
MLS Average Resale Prices	24.3	-1.4	-6.2	-10.4	-6.8	-5.8	-4.6	-2.4	0.2
Edmonton	34.3	-2.0	-5.7	-10.1	-7.4	-4.2	-3.8	-3.1	-3.3
Calgary	18.7	-2.9	-8.1	-11.3	-10.1	-8.7	-6.3	-5.2	-0.4
Retail Sales NEW!	9.3	-0.1	-10.0	-13.8	-10.1	-11.0	-7.2	-8.3	--
New Motor Vehicle Sales	3.3	-7.3	-26.0	-31.9	-24.4	-27.8	-22.2	-18.6	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling	-35.2	-2.1	-50.3	-60.8	-42.0	-39.2	-56.3	-66.2	-62.7
Goods Exports (customs based)	5.3	34.3	-39.9	-34.1	-43.8	-51.1	-40.7	-47.1	--
Energy	4.4	42.5	-46.3	-42.1	-52.8	-59.7	-44.3	-52.3	--
Agriculture	9.8	27.8	-3.1	-3.9	6.2	-16.6	-10.7	-6.0	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	2.8	--	--	-10.3	--	--
Manufacturing Shipments	1.1	7.0	-22.9	-14.0	-24.3	-27.4	-27.2	-33.4	--
Wholesale Trade	5.0	10.9	-10.4	-4.4	-12.2	-20.9	-11.6	-17.2	--
Building Permits	13.4	-16.5	-38.0	-29.9	-40.9	-18.5	-25.2	-32.0	--
Residential	10.7	-31.5	-43.5	-38.9	-44.2	-49.1	-17.8	-9.0	--
Non-residential	17.1	3.7	-32.8	-20.7	-37.3	13.0	-31.0	-50.6	--

Government of Alberta ■
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30). The April population estimate is also the 2009 year-to-date value.

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of April 1, 2009)											
Population	**33,592,686**	508,726	140,638	939,475	748,866	7,799,372	13,014,018	1,217,163	1,027,092	**3,653,840**	4,435,344
Annual Growth Rate[a]	***1.2%***	0.2%	1.2%	0.2%	0.3%	0.9%	1.0%	1.2%	1.5%	**2.7%**	1.7%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		1,299	42	-117	-325	-12,399	-16,522	-503	8,067	**10,010**	11,458
1st Quarter (January 1, 2009 to March 31, 2009)		98	-66	-357	61	-2,016	-5,015	-181	545	**7,144**	-16
Employment											
Level Change (000s)[b]	**-311.5**	-4.0	-1.9	-0.6	-1.6	-33.8	-181.6	6.5	1.8	**-32.1**	-64.1
Percent Change[b]	***-1.8%***	-1.7%	-2.5%	-0.1%	-0.4%	-0.9%	-2.7%	1.1%	0.3%	**-1.6%**	-2.7%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.1	8.5	9.0	5.0	4.7	**6.2**	7.4
Participation Rate, 2009 avg (SA)	***67.4***	59.1	67.8	64.6	64.8	65.4	67.4	69.4	70.3	**74.5**	65.9
Average Weekly Earnings											
June 2009	**823.23**	804.81	691.63	726.11	737.45	770.86	843.43	765.26	803.77	**962.77**	798.75
Y/Y Percent Increase[c]	***1.9%***	4.9%	6.7%	2.6%	1.8%	2.7%	0.7%	2.8%	2.6%	**4.3%**	1.4%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
August Annual	**-0.8%**	-0.7%	-0.8%	-0.8%	-0.2%	0.4%	-1.0%	-0.4%	0.8%	**-1.7%**	-1.1%
Excluding Shelter	**-0.2%**	0.3%	1.4%	-0.1%	0.2%	0.4%	-0.7%	-0.8%	0.0%	**0.1%**	-0.3%
Housing Starts (000s)											
SAAR August 2009	**150.4**	2.4	1.0	4.2	3.7	47.2	44.2	5.0	5.1	**18.4**	19.2
Retail Sales											
Percent Change[d]	**-3.9%**	3.2%	-1.9%	-0.5%	-2.9%	-1.0%	-4.2%	1.0%	-3.5%	**-8.3%**	-6.6%
2009 YTD Retail Sales Growth NEW!	**-5.3%**	1.7%	-1.8%	-2.0%	-2.2%	-2.9%	-5.0%	-2.9%	-3.3%	**-10.0%**	-8.7%
Manufacturing Shipments											
Percent Change[d]	**-21.9%**	-35.7%	-14.2%	-22.5%	-30.4%	-15.4%	-21.3%	-18.8%	-23.2%	**-33.4%**	-20.7%

a. Over the past 12 months
b. August 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to June 2009
d. July 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada